p 25E

App. F. IX-4

Previous References

193
61

File No. 11-36

Serial Nos. 460

Letter References.

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for

SUBJECT.

Amendment of the Coop Societies Act relating to the enforcement of responsibility against the committee and office bearers of Co-operative Societies

GENERAL AND REVENUE SECRETARIAT

(b.s.)

NOTES.

File No. 11-36

FILE HEADING.

Enforcement of responsibility against the Committee and office bearers of Co-operative Societies in cases of defalcation and loss due to negligence.

FROM The Registrar of Co-operative Societies, Madras

No. 7202 Dated 3/3/31 Received 4-3-31

Diary No. 1881 Enclos. three Spare copies — Serial No. 70

BRIEF ABSTRACT OF LETTER

Recommends the amendment of Rule 43(a)(c) of the Co-operative Societies Rules to enforce responsibility against the Committee and office bearers of Societies in cases of defalcations and loss incurred to the societies.

NOTES AND ORDERS.

While making their recommendations on the regulations framed and the precautions against misconduct the Committee observe that it should not be overlooked that in most cases it is the negligence and connivance of Committees and office bearers which alone seem to facilitate the perpetration of criminal misappropriations and other serious irregularities and that they cannot complain if they are held responsible

NOTES—First Sheet

for all the defalcations and loss traceable to their negligence or indifference."

2) The Registrar Cooperative Societies having his remarks has stated that the rule passed in Madras holding the Committees or office bearers responsible for all defalcations and loss traceable to their negligence or indifference has been severely criticised by a few on the assumption that such a rule would drive away the few respectable men interested in the management from the fields of Cooperation and is of opinion that there is no such fear and that it is quite necessary to amend the Law as in Madras. He also states that the Indian Central Banking Enquiry Committee have recommended that if a Committee of a Cooperative advances loans in excess of the bye laws or otherwise they should be held responsible. He therefore supports the amendment of the 43 A (c) to avoid the questioning by Civil Courts and all future trouble.

There is a chapter [illegible] of this report on this subject

3) The following two subjects came up for discussion at the Conference of the Registrars of Cooperative Societies at Delhi

1) Is it desirable to frame a rule on the Punjab model to provide for disputes between individual members acting on behalf of the society and any servant or past office bearer for any loss due to the society or for any act of negligence or default causing directly to the Society

2) Is it not desirable to incorporate a provision similar

Serial No.

to that in sec 40 of the Bihar & Orissa Act so as to make members and office bearers liable for any loss caused to the society by acts of omission or commission

4) On the first question the Conference agreed that it was desirable to frame a rule on the model of Punjab Rule 18A to provide for disputes between individual members acting on behalf of the society and any former or past office bearer for any sum due to the society but, so far as the acts of negligence and defaults are concerned they felt that the question should not be dealt with by such a rule in question but under a provision in the Act

On the second question the discussion revealed difference of opinion. Bengal Burma Assam Hyderabad & Baroda opposing it and all other provinces with Mysore & Travancore being in favour of the proposal though no resolution was passed on the subject.

5) The Srí Vishwa Prajaseva Samaj Lucknow which has forwarded their views on the Report are of opinion that the ~~personal~~ responsibility of directors either jointly or severally for negligence or fraud causing loss to the society is not justifiable.

6) Instances are however not wanting of the negligence and fraud acts of omission and commission of Committees or office bearers of Co-operative Societies

NOTE—Contn. Sheet.

WD 0417—GPR—30,000—8-9-36

Enforcement of responsibility of the Committee Chairman & the bearer of Cs. for negligence

4801

B.S. File No. 11 of 1936

General and Revenue Secretariat

Serial No.

bringing ultimately to defalcations and leave him to the limitations.

7) Submitted for orders whether the amendment of the Regulation as proposed by the Registrar may be taken up

SS 19/5/37

8) Seen Secy / Secy 20.5.37

9) This may be appd

Secy 24/6. Secy 24.6.37

Secd member

10) Secy 25/6/37

Secy 25.6.37

OFFICE OF THE SECOND MEMBER OF COUNCIL. 24 JUNE 1937 NO 9156

GENERAL SECRETARY. 20 MAY 1937 2463

11) Draft has been made

SS 1/7/37

Asst. Secy 2.7.37

12) Seen Secy Secy 2.7.37

13) Secy 9/7/37

Secy 19.7.37

Asst. Secy a.g.o.

GENERAL SECRETARY. 3 JULY 1937 3846

TYPING SECTION. 20 JUL. 1937 GEN'L & REV. SECT.

To. The Registrar of B.S. D 661. 22-7-37 14

Approves the recommendation of the Committee supported by the Registrar of B.S. re:- the enforcement of responsibility against committees & office bearers

Enforcement of responsibilities of ... Committee of management of Co-operative Societies
6801 / 709

Serial No.

of C.S. in cases of defalcations & losses traceable to their negligence; and requests the Registrar to forward suitable draft amendments to section 43 of the Rules under Mysore Co-operative Societies' Regulation with a Statement of Objects & reasons

14) Letter Nr 813 dated 4/8/37 from the Registrar forwarding the draft amendment with the Statement of objects & reasons

15) A Statement containing the section as it is and as proposed to be amended is sent for perusal. The additions to be made are marked in red ink. The Law section may be consulted as to the suitability of the draft amendment. Whether the inclusion of the nominee heir and legal representative of a deceased officer in the scope of the section so as to make them responsible for the actions of the deceased person, is equitable is a point for consideration for Ld Limiters for order

16) Mr Menon has ordered on another file that all amendments to the Regn should be Consolidated and Considered together. This will be done

Secy & L.A.) 9-8-37

17) Law section may be consulted. A history of amendments necessary must be maintained

9-8-37

WD 0417—GPB—30,000—8-9-36

986 f. 611 709 Amendment of Sec 43A of the C.P. Regulation

File No. 11 of 1936 | General and Revenue Secretariat

Serial No. Chapter IX

This may now be sent to the Law Section for favour of opinion. DRS 5/8(3)

Law Section)

50 Law BNR T/8

Received in Stitching from the L.S.G. Secretary. He was pleased to say that all the proposed amendments to be proposed, might be considered together instead of considering the amendments in a piece meal manner. The file is accordingly returned.

BNR 30.8.37

Under Secy) 31.8.37

Govt. Bill 1-10-37

3 SEP. 1937

DEVELOPMENT DEPT.

GOVERNMENT OF MYSORE

No. 7262 C.S. / Encl 3.

Telegraphic Address: "CO-OPERT" BANGALORE

C.S. 11-34-70

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Dated, Bangalore, 30th March 1937.

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
Bangalore City.

4801
4 MAR 1937
DEVELOPMENT BRANCH

To

M.Venkatesa Iyengar, Esq., M.A.,
General Secretary to the Government
of Mysore, Bangalore.

Sir,

I have the honour to invite kind reference to the recommendation of the Committee on Co-operation in Mysore in page 163 of their Report re: enforcement of responsibility against the Committees and Office-bearers of Societies in cases of defalcations and losses traceable to their negligence and to - state that such a rule has been recently passed by the Madras Government.

The Indian Central Banking Enquiry Committee have also recommended that if a Committee of a co-operative society advances loans in excess of the - limits prescribed by the byelaws or otherwise, they should be held responsible. Acts of carelessness or mismanagement come to light very often, only after the Committee vacates office. To enforce this liability, it is necessary to amend Section 43(A)(c) of the Mysore Co-operative Societies' Regulation. This amendment, if approved, is intended to amplify the Section to - make it applicable to disputes between a society and its past Committee, or any past officer, agent or servant or the nominee, heirs or legal representatives of any deceased officer, agent or servant of the society. Section - 43(A)(c) will when amended run as follows:-

> "Between the society or its Committee and any past Committee, any Officer, agent or servant or any past officer, past agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent, or deceased servant of the society".

This amendment of the Regulation is necessary as the Civil Courts in Mysore as well as in Madras have held that no dispute can lie against a past officer or committee or the nominee, heirs or legal representatives of any deceased officer, agent or servant under the Regulation.

I therefore recommend that Section 43(A)(c) of the Mysore Co-operative

Co-operative Societies' Regulation be approved as suggested above to avoid all future trouble.

I send herewith for perusal of Government, the judgment of Justice King, reported in the Madras Journal of Co-operation - page 355, and extracts of judgment of Justices Pandu Ranga Rao and K.S.Menon, with a critical note of Mr.V.Krishna Mohan in another similar case. Our Civil Courts have followed the judgment of Justice King.

GENERAL SECRETARY. 4 MAR 1937

I have the honour to be,
Sir,
Your most obedient servant,

M. S. [illegible]

Registrar.

L.S.2/3.

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

Present: Mr. Justice King.

T.S.Narayana Aiyar and others .. Petitioners.

Vs.

The Co-operative Urban Bank,Ltd., Tinnevelly Junction,through its Secretary and another. .. Respondents.

==========

Madras Co-operative Societies Act (VI of 1932),S.51,Clause (b) and (c) - Ex-Directors proceeded against by a Bank for loss sustained by their negligence in sanctioning a loan - Registrar whether had jurisdiction to entertain the reference - Writ of prohibition - Whether circumstances favouring it.

****

A dispute arose between a certain Co-operative Urban Bank,Ltd., and six persons who were members of the Bank and had been its Directors, regarding the loss sustained by the Bank owing to the negligence of these persons in sanctioning a loan. Of the six, five had ceased to be Directors though they continued to be members. On a reference to the Registrar of Co-operative Societies under Section 51 of the Madras Co-operative Societies Act (VI of 1932) the dispute was referred by him to the Deputy Registrar. On an objection by the five ex-Directors to the jurisdiction of the Deputy Registrar on the ground it did not fall Section 51 of the Act, it was overruled by him, and hence an application was filed in the High Court for a writ of prohibition against the Deputy Registrar of Co-operative Societies

Held, that neither Clause (b) of S.51 which relates to disputes of members only and not of those who were officers nor Clause (c) to Section 51 which deals with officers of the Bank or the society, would apply to persons who were not mere members or who had been once Directors but not at the time of the reference. Hence the Registrar had no jurisdiction to decide the dispute under S.51 and a writ of prohibition should issue.

The Municipal Permanent Investment Building Society Vs.Richards (1888) 39 Ch.D.372 relied on.

Petition praying that in the circumstances stated in the Affida-

vit

affidavit filed therewith the High Court will be pleased to issue a writ of prohibition prohibiting the respondents herein from proceeding with A.R.C.No.848 of 1934-1935 before the Deputy Registrar of Co-operative Societies, Tinnevelly (second Respondent herein).

S.Ramaswami Aiyar and V.K.Srinivasa Aiyangar for petitioners.

B.Sitarama Rao and K.Venkateswaran for the first respondent.

The Court made the following:-

ORDER:- This is a petition requesting issue of a writ of prohibition to the Deputy Registrar of Co-operative Societies, Tinnevelly, in the following circumstances. A dispute arose between the Tinnevelly Co-operative Urban Bank,Ltd., and six persons who are members of the bank and were all its Directors, regarding the loss sustained by the Bank owing to the negligence of these persons in sanctioning a certain loan. It may be mentioned that of these six persons five are no longer Directors of the Bank though they still continue to be members and the sixth remains a Director. The dispute was referred to the Registrar of Co-operative Societies under S.51 of the Madras Co-operative Societies Act VI of 1932, for decision by him and it was referred by him to the Deputy Registrar.

The present petitioners who are the five ex-Directors referred to, objected to the jurisdiction of the Deputy Registrar on the ground that the dispute did not fall within the terms of Section 51 of the Act. The Deputy Registrar passed orders on this preliminary objection to the effect that he had jurisdiction and the petitioners now wish this Court to issue a writ of prohibition against any further proceedings in the arbitration.

It is of course conceded that the dispute in question is one touching the business of the Bank. The question then has to be decided whether it comes within Clause (b) Clause (c) of S.51. Clause (b) refers to a dispute between a member, past member or person claiming through a member, past member or deceased member and the society. No doubt the present petitioners are members of the society but it is quite clear that the dispute in question

question concerns none of their actions or claims as members but only their actions as Directors. On the authority of an English case The Municipal Permanent Investment Building Society Vs. Richards, it is quite clear that Clause (b) cannot be applied to the present case. Clause (c) relates to disputes between the society or its committee and any officer, agent or servant of the society. Clearly this clause would apply to the existing Directors and the question to be decided is whether it would apply to persons who were once Directors and whose action as such Directors is the subject matter of dispute but who at the time of the reference to the Registrar are no longer Directors.

Prima facie I would have been inclined to hold that Clause (c) would apply were it not for the fact that in Sections 51 and 49 specific reference is made to past officers. In Section 49(1) for instance it is said, that:

"Where in the course of an audit.....it appears that any person who has taken part in the organization or management of the society or any past or present officer of the society has misappropriated.....".

The Registrar may take certain steps. In Section 51(b) which immediately precedes the clause which we are now discussing, reference is specifically made to disputes between " a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or servant of the society". When we find these two instances of particular reference being made in the Act itself to past officers and past members it seems to me that if this clause (c) was intended to apply to dispute of this kind between the society and its past officers specific mention would have been made of the past officers in this clause also. In the absence of such specific reference that clause cannot, I think, apply to the present dispute. The result is that the Registrar has no jurisdiction under Section 51 to - decide this dispute and a writ of prohibition must issue. The petitioners' cost which I fix at Rs.100/- will be paid by the Bank

Bank which is represented by the first respondent.

" Copy "

L.S.1/3.

Registrar.

THE MYSORE PROVINCIAL CO-OPERATIVE APEX BANK,LTD.,

BANGALORE CITY.

871 Madras Law Journal - N.R.C. 17.

High Court of Madras.

C.M.P. No.5318 of 1935 - 17th August 1936.

Pandrang Rao and K.S.Menon J.J.

==========

Where a Deputy Registrar of Co-operative Societies entertained under Section 51 of the Madras Co-operative Societies Act VI of 1932 a proceeding against an ex-Director of a Co-operative Society and passed an award against him for payment of a sum of money to the society for loss alleged to have been caused by his wilful neglect in taking inadequate security from a borrower a writ of prohibition was issued to the Deputy Registrar to quash the proceedings and prohibit further action by way of enforcing the award.

==========

" Copy "

Registrar.

Critical Note.

T.S.Narayana Iyer and others Vs. The Co-operative Urban Ba
Ltd.,Tinnevelly Junction
through its Secretary and
Another(1935) 69 M.L.J.72

==========

The above decision is a very important pronouncement on the construction and interpretation of S.51 of the Madras Co-operative Societies Act (Act VI of 1932) involving, as it does, serious cons quences which vitally affect the interests of all Co-operative Soc ties in this Presidency. The Section deals with certain classes o disputes relating to Co-operative Societies and has been enacted b the Legislature with the object of providing a separate forum for the cheap summary settlement of disputes arising in regard to the business of Co-operative Societies without recourse to the costly and protracted litigation of Civil Courts. Clauses (a) and (b) of the Section refer to "Members" while clause (c) thereof refers to "Officers,Agents or Servants" of the society. Directors of a Co-operative Society being "Officers" as defined in the preliminary portion of the Act, are governed by clause (c) of the Section. Th question raised in the case under review is whether past or ex-dir tors come within the purview of clause(c) of the Section.

His Lordship Mr.Justice King, who decided the case, held that past Directors were not governed by Clause (c) of Section 51 rely on the absence in Clause (c) of the word 'past' which was specifically mentioned in Clauses (a) and (b) of the Section. Section 49 of the Act was also referred to by His Lordship in this connection in confirmation of his view on the ground that the words "pa officer" were specifically used in that Section.

With the greatest respect to the learned Judge, I humbly venture to submit that the construction placed by His Lordship on the scope of Clause (c) of Section 51 is narrow and necessarily gives rise to many vexed questions in the practical working of Co-operative Societies.

Above

Above all, it may be pointed out that there is a wide gulf of difference between the members and Directors of a Co-operative Society with regard to their respective responsibilities in relation to the society. While, no doubt, it is true, in a sense that the members of the society are generally responsible for the proper working of the society, their responsibility, however is limited in its scope, when compared to the special and heavy responsibility that lies on the shoulders of the Directors, in whom the entire - management and administration of the society are admittedly vested. This special responsibility of Directors of Co-operative Societies, being too well known, every Director must be deemed to be fully alive to the grave responsibility that attaches to all his acts done by him as Director of the society, before taking upon himself the onerous duties of his office. It is therefore but fair to presume that the legislature considered it unnecessary to repeat the word 'past' in the case of Directors in clause (c) of the Section, while it took care to make specific mention of it in the case of members in Clauses (a) and (b) of the Section, clearly implying thereby that all Directors past as well as present were, from the very nature of their office and the special incidents attaching to all their official acts, a fortiori equally liable.

Section 49 of the Act referred to by His Lordship, no doubt contains the word "past officers", but does not help us in any way as that Section, in terms, refers only to specific cases of fraudulent misappropriation and breach of trust on the part of Directors and the mention of the word "past" in that Section cannot therefore serve as a guide to the interpretation of Section 51(a) Section totally different in its scope and application. His Lordship himself feels the difficulty for, he says, in the latter part of his judgment as follows:-

"Prima facie I would have been inclined to hold that clause(c) would apply were it not for the fact that Sections 51 and 49 - specific reference is made to (past members and) past officer".

The view of His Lordship, if followed, will lead to a curious

curious anomaly in the present case under review, namely, the case against the five ex-Directors (out of six Directors) will have to go before the Civil Court while the case against the one remaining present Director will have to be decided by the Registrar under Section 51 of the Act, with the undesirable possibility of a conflict of decisions, between two different tribunals on the same point. Besides, the one advantage of arbitration under Section 51 of the Act - the cheap and summary settlement of disputes relating to the business of Co-operative Societies - will be denied to all Co-operative Societies which will certainly find it impossible to bear the heavy burden of a costly and prolonged litigation in Civil Courts. Further, consequent on the adoption of His Lordship's view there will be very serious troubles created in the internal administration of societies, for, nothing would be easier for a dishonest director who apprehends the slightest trouble in the society with regard to his management of the society, then to immediately resign his office, successfully evade the speedy trial of the arbitration Court, effectively drive the society to the Civil Court with all the heavy - expense and long delay attendant upon it and thus put the society to unnecessary and unwarranted loss.

In view of the several considerations above set forth it is respectfully submitted that it is highly desirable that this Legislature should make clause (c) of Section 51 of the Act quite clear by inserting the word "past" before the words Officer, agent or servants of the society" in Clause (c) of Section 51 of the Act at an early date and thereby remove all possible conflict of views with regard to the construction and interpretation of the Section.

Sd.- V.Krishna Mohan.

****

" Copy "

Registrar.

L.S.2/3.

6 Copies

G. R. S. App. F VI—G 2]

SUBJECT .....

.....

.....

Diary. No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue 22-7- ...1937.

Signed by Myk. Subba Rao

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

Section G.S.

File No. 11-36

Serial No. 140

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read— The following recommendat of the Committee on Cooperation

" It should not be overlooked that in most cases it is the negligence and Carelessness of Committees and office bea which gives occasion to and facilitate the perpetration of criminal misappro- priation and ~~Order thereon.—~~ No. other serious irregulari may ~~cannot~~ therefore Complain if the are held responsible for all defalcati and losses traceable to their negligen or indifference "

Letter No 7202/GS. dated 3/3/37 from the Registrar G/S. stating that a rule ~~enforcing~~ to the responsibilities

against Committees and office bearers
of Cooperative Societies in cases of
defalcations and losses traceable —
to their negligence has been recently framed —
by the Madras High Court
and that the Indian Central Banking
Enquiry Committee have also recommended
that if a member of
the Committee of a Cooperative
Society advances loans in excess of the
limit prescribed by bye-laws or otherwise
they should be held responsible and
responsible in the circumstances
that Section 43 A (c) of the Madras Cooperative
Societies Regulation be suitably amended
so as in order to amplify the scope of the
section, as declared in Bhyrava Chetty
Vs Venkata Reddy have held that no dispute
can lie against a past office or Committee
so under the existing provision of the Regulation

List of Enclos

Order 'D 661

Copied by

The recommendation of the Committee

Examined by

be supported by the Registrar is approved

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

The Registrar is requested to forward suitable draft amendments to the Regulation with a statement of objects and reasons

WD 4/17
Jenkyn
4.7.17

To the Registrar G.S.

WD 03608—GPB—15,000—8-7-35

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

Read.-

The following recommendation of the Committee on Co-operati
"It should not be overlooked that in most cases it is the negligen
"and carelessness of Committees and Office bearers which gives oc
"casion to and facilitates the perpetration of criminal misappro-
"priations and serious irregularities. They cannot therefore
"complain if they are held responsible for all defalcations and
"losses traceable to their negligence or indifference".

2. Letter No. 7202/C.S. dated the 3rd March 1937 from the Registrar of Co-operative Societies stating that a rule to enforc the responsibility against Committees and Office bearers of Co-operative Societies in cases of defalcations and losses traceable to their negligence has been recently framed by the Madras Govern ment and that the Indian Central Banking Enquiry Committee also have recommended that if the Members of a Co-operative Society advances loans in excess of the limit prescribed by byelaws or otherwise they should be held responsible and requesting in the circumstances that Section 43 A (c) of the Mysore Co-operative Societies Regulation be suitably amended in order to amplify the scope of the Section, as the Civil Courts in Mysore and Madras have held that no dispute can lie against a past Officer or Committee &c. under the existing provisions of the Regulation.

Order No. D 661/CS 11-36-140 dated, Bangalore, the 21st 22nd July 1937.

The recommendation of the Committee supported by the Regist is approved. The Registrar is requested to forward suitable draf amendments to the Regulation with a statement of objects and reasons.

K Srinivasan

for Secretary to Government.
L. S. G. Department.

The Registrar of Co-operative Societies in Mysore

C.R.G.6

C.S. 11-36-147

GOVERNMENT OF MYSORE.

5 AUG. 1937

No. 813 C.S.

DEPARTMENT OF CO-OPERATION

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore

Dated Bangalore, 11 12 *August* *1937*

FROM

M. ABDUL HUKH, ESQ., B.A.,

Registrar of Co-operative Societies in Mysore, Bangalore.

TO

The Secretary to Government of Mysore,
Local Self Government Department, Bangalore.

Sir,

With reference to Government Order No.D.661/C.S. 11-36-140 dated the 12nd July 1937, I have the honour to - submit herewith, draft amendment to Section 43 A(1)(c)of the Mysore Co-operative Societies' Regulation VII of 1918 as amended from time to time,and to state that the amendment follows the amended Madras Co-operative Societies' Act VI of 1932.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.2/8.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Statement of Objects and Reasons.

The object of amending Section 43 A(1)(c) of the Mysore Co-operative Societies Regulation VII of 1918, as amended from time time is to enforce the responsibility against the Committees and Office-bearers of societies in cases of defalcations and losses traceable to their negligence. The necessity for the amendment i explained below.

The Indian Central Banking Enquiry Committee recommended tha if the Committee of a co-operative society advanced loans in exce of the limits prescribed by the byelaws of the society or otherwi the members of the Committee should be held personally liable as guarantors of the loan. In order to enforce this liability, it i necessary to bring such cases also under Section 43 A(1) of the Regulation and to treat them as disputes between a registered soc and the committee which sanctioned the loan. Acts of carelessnes or mismanagement of a society's affairs by a committee come to - light very often only after that committee vacates office. The amendment is intended to amplify the Section to make it applicable to disputes between a society and its past committee or any past officer, agent or servant, or the nominee, heirs or legal represe tatives of any deceased officer, agent or servant of the society, as some Courts have held that no dispute can lie against them.

(1) Amendment of Section 43 A(c) of the Mysore Co-operative Societies' Regulation VII of 1918 as amended from time to time.

For Clause (c) of Section 43 A. of the said Regulation th following shall be substituted viz.-

" (c) Between the society or its committee and any past committee, any officer, agent or servant, or any past officer, pas agent or past servant, or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant, of the society."

Section 43 A after this amendment will read as follows:-

P.T.O.

43 A.(1) If any dispute touching the business of a registered society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises

(a) among members, past members and persons claiming through members, past member and deceased members, or

(b) Between a member, past member or person claiming through a member, past member, or deceased member, and the society its committee or any office agent or servant of the society, or

(c) Between the society or its committee and any past committee, any officer, agent or servant, or any past officer, past agent or past servant, or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society."

(d) Between the society and any other registered soci such dispute shall be referred to the Registrar for decision.

Explanation:- A claim by a registered society for any debt or demand due to it from a member, past member or the nominee, hei or legal representative of a deceased member, whether such debt or demand be admitted or not is a dispute touching the business o the society within the meaning of this sub-section.

Registrar.

L.S.2/8.

****

Amendment of section 43A of Cooperative Societies Regulation

Section as it is

43A-1- If any dispute touching the business of a registered society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises,

x x x

c) between the society or its Committee and any officer, agent, or servant of the society

x x x

such dispute shall be referred to the Registrar for decision

Section as amended

If any dispute touching the business of a registered society (other than a dispute regarding disciplinary action taken by the society or its Committee against a paid servant of the society) arises

x x x x x x

(c) between the society or its Committee and any past Committee, any officer, agent or servant, or any past officer, past agent or past servant, or the nominee, heirs or legal representatives of any deceased officer deceased agent, or deceased servant of the society

x x x

such dispute shall be referred to the Registrar for decision